DOCUMENT RESUME

ED 293 467 HE 021 381

TITLE	The Student Guide. Five Federal Financial Aid Programs. 88-89.
INSTITUTION	Department of Education, Washington, DC.
PUB DATE	88
NOTE	74p.
PUB TYPE	Guides - Non-Classroom Use (055)
EDRS PRICE	MF01/PC03 Plus Postage.
DESCRIPTORS	Eligibility; *Federal Aid; Financial Aid Applicants; Higher Education; Information Sources; Loan Repayment; Money Management; *Student Financial Aid; *Student Loan Programs
IDENTIFIERS	College Work Study Program; Guaranteed Student Loan Program; National Direct Student Loan Program; Parent Loans for Undergraduate Students Program; Pell Grant Program; Perkins Loans; Supplemental Educational Opportunity Grants

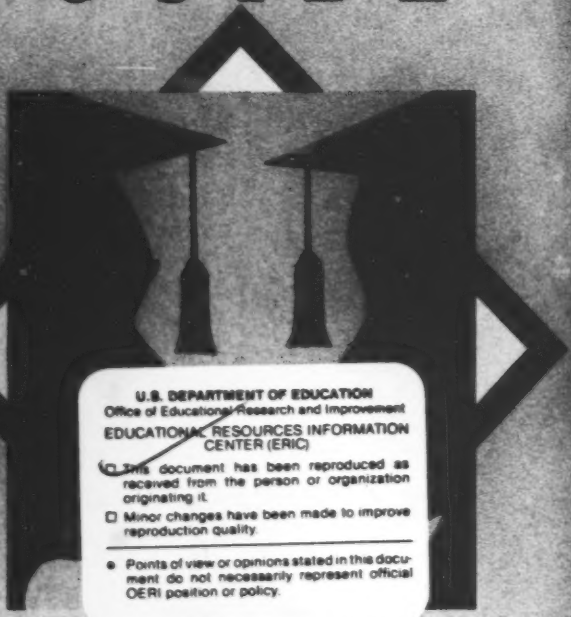
ABSTRACT

Information on five U.S. Department of Education student financial aid programs and how to apply for them is presented: Pell Grants, Supplemental Educational Opportunity Grants, College Work-Study, Perkins Loans (formerly National Direct Student Loans), and Guaranteed Student Loans (Parent Loans to Undergraduate Students and Supplemental Loans for Students). General information is provided on: eligibility, financial need, dependency status, forms and records needed to apply, verification, transfer students, deadlines, and addresses and phone numbers for obtaining information. Advice on debt management covers what to consider before borrowing, borrower rights and responsibilities, and consolidation of loans. Included are a glossary and the addresses and phone numbers of state education agencies that provide information on federal loans and state student aid. (SW)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

THE STUDENT GUIDE

ED 293 467



U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☐ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

FIVE FEDERAL FINANCIAL AID PROGRAMS

88-89

HE 021 381

UNITED STATES
DEPARTMENT OF EDUCATION
THE SECRETARY

If you are planning to attend a college, university, or other postsecondary school, you are among the more than 12 million citizens of the United States continuing their education beyond high school.

Our nation enrolls twice as many of its people in post-secondary study as the Soviet Union, ten times as many as France, and fifteen times the total in the United Kingdom.

President Reagan is committed to providing assistance for those who need help in paying their higher education costs. This coming year, our nation will spend an estimated $307 billion for education.

The Federal Government's contribution to student financial assistance will result in a commitment of $15.2 billion targeted to those who need help to afford the cost of higher education. Two of the aid programs outlined in this publication are grants—outright assistance provided by the American people through their taxes for the pursuit of higher education. In addition, there are loans, also made possible through the help of the American taxpayer, which entail an obligation to repay when a student leaves school.

When you apply for a guaranteed loan to attend a college, a university, or other postsecondary institution, you make a commitment. Honoring that commitment will strengthen these programs, which will allow others to have the same type of assistance that was available to you for the pursuit of higher education. You also uphold the faith of working Americans who make these programs possible.

Financial assistance opens the door to higher education for many who could not otherwise afford its cost. Do your share to support these programs by repaying your loans after graduation. You owe it to those who will follow.

Discrimination Prohibited. No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance, or be so treated on the basis of sex under most education programs or activities receiving Federal assistance.

Table of Contents

	Page
Finding Out About Student Aid	1
U.S. Department of Education Student Aid—General Information	3
Eligibility	4
Financial Need	5
Dependency Status	6
Applying	8
Forms	8
Records Needed	10
Special Circumstances	11
Student Aid Report (SAR)	12
Verification	13
Transfer Students	15
Deadlines	16
Addresses	16
Telephone Numbers	17
Student Rights and Responsibilities	18
Choosing a School Carefully	20
Five U.S. Department of Education Programs	24
Pell Grants	24
Supplemental Educational Opportunity Grants	27
College Work-Study	28
Perkins Loans (formerly National Direct Student Loans—NDSL's)	30
Guaranteed Student Loans	35
PLUS Loans and Supplemental Loans for Students (SLS)	39
Debt Management	42
Before You Borrow	42
Borrower Rights	43
Borrower Responsibilities	45
Consolidating Your Loans	46
State Educational Agencies (Sources of Information on Guaranteed Student Loans, PLUS Loans, SLS Loans, and State Student Aid)	50
Glossary	60

Material contained in this publication is in the public domain and may be reproduced, fully or partially, without permission of the Federal Government. Source credit is requested though not required. Permission is required only to reproduce the copyright material on page 37.

Finding Out About Student Aid

This *Guide* tells you about Federal student aid programs and how to apply for them. But education or training after high school costs more than ever, and you need to learn about as many sources of aid as you can. The steps below will help.

- Contact the **financial aid administrator** at each school you are interested in. He or she can tell you what aid programs are available there, and about how much the total cost of attending will be. If you're in high school, also talk to your **guidance counselor**. He or she can tell you about financial aid in general and where to look for help.
- Your **public library** has information on State and private sources of aid. Your financial need is usually considered, but other factors may also be taken into account.
- Many **companies,** as well as labor unions, have programs to help pay the cost of postsecondary education for employees or members (or for their children).
- Check **foundations,** religious organizations, fraternities or sororities, and town or city clubs. Include community organizations and civil groups such as the American Legion, YMCA, 4-H Clubs, Kiwanis, Jaycees, Chamber of Commerce, and the Girl or Boy Scouts.
- National Merit Scholarships and **scholarships** from the National Honor Society are available to students with high grades who qualify.
- Don't overlook aid from **organizations** connected with your field of interest (for example, the American Medical Association or the American Bar Association). These organizations

are listed in the U.S. Department of Labor's *Occupational Outlook Handbook* and can also be found in various directories of associations available at your public library.

- If you are a veteran, **veterans benefits** may be available. Check with your local Veterans' Administration office.
- Ask the **State educational agency** in your home State for information about State aid—including aid from a program jointly funded by individual States and the U.S. Department of Education. Each State has its own name for this program, as well as its own award levels, eligibility criteria, and application procedures. (At the Federal level, this program is called the State Student Incentive Grant Program.) For the address and telephone number of your State agency, see the list of agencies beginning on page 50.
- There are other Federal programs you can get information about from your State educational agency. These are—

*The Robert C. Byrd Honors Scholarship—Students who demonstrate outstanding academic achievement and show promise of continued excellence may receive $1,500 for their ***first*** year of postsecondary education. Recipients are selected by the agency in the State responsible for supervising public elementary and secondary schools.

*The Paul Douglas Teacher Scholarship — Encourages outstanding high school graduates to pursue teaching careers after they finish postsecondary education. Provides scholarships of up to $5,000 for each year of postsecondary education to students who graduate from high school in the top 10 percent of their class, and who meet other selection criteria their State educational agency may establish. Generally, students are required to teach two years for each year of scholarship assistance they receive.

U.S. Department of Education Student Aid—General Information

The U.S. Department of Education offers five major student financial aid programs:

Pell Grants

*Campus-Based Programs**

- **Supplemental Educational Opportunity Grants (SEOG)**
- **College Work-Study (CWS)**
- **Perkins Loans (formerly National Direct Student Loans [NDSL])**

Guaranteed Student Loans (GSL) (including PLUS loans and Supplemental Loans for Students [SLS])

Grants are awards that you don't have to pay back.

Work-Study gives you the chance to work and earn money to help pay for school.

Loans are borrowed money that you must repay with interest.

Undergraduates may receive aid from all three types of programs. Graduate students may apply for loans or Work-Study, but not for grants.

Not all schools take part in all the programs. To find out which ones are available at a school, contact the school's financial aid office.

*This *Guide* mentions several terms or concepts that you will need to be familiar with. Wherever these terms occur in the text, they will have an asterisk (*) next to them. This means that the term will be defined in the Glossary on pages 60 to 68 of this booklet.

Eligibility

In general, you're eligible for Federal aid if you meet the following requirements:

You must be enrolled at least **half-time*** to receive aid from the Pell Grant, GSL, PLUS, and SLS programs. **Half-time*** enrollment is not required for the **campus-based*** student aid programs.

You're enrolled as a **regular student*** in an **eligible program*** at one of the more than 8,000 colleges, universities, vocational schools, technical schools, or hospital schools of nursing that take part in U.S. Department of Education financial aid programs.

You're a U.S. **citizen*** or an **eligible non-citizen.***

You show that you have financial need. See page 5 for a discussion of need.

You're making **satisfactory progress*** in your course of study.

You're not in **default*** on a Perkins Loan (or National Direct Student Loan [NDSL]), Guaranteed Student Loan, PLUS loan, or SLS, and you're not more than 90 days delinquent in repaying a consolidated loan.

You don't owe a refund on a Pell Grant or a Supplemental Educational Opportunity Grant.

You must sign a **statement of updated information*** certifying that specific items on your Student Aid Report (SAR) are correct. (This Report is described on pages 12 and 13.)

You must also sign a **statement of educational purpose*** saying that you will use your Federal student aid funds only for expenses related to attending your school.

You must sign a **statement of registration status*** indicating you have registered with the Selective Service, if you're required to do so. The U.S. Department of Education will verify students' registration status with the Selective Service. The names of any students who claimed to have registered but have not will be referred to the U.S. Department of Justice.

---

*See Glossary, pages 60 to 68.

Financial Need

Most Federal student aid is awarded on the basis of financial need. Need is the difference between your **cost of education*** (educational expenses such as tuition, fees, room, board, books, supplies, and other related expenses) and an amount you and your family are expected to contribute toward your education. A standard formula is used to determine this amount, which is called the **Family Contribution (FC).*** The information you report on your aid application (see "Applying," page 8) is used in calculating your contribution. Factors such as income, **assets,*** and benefits (for example, unemployment or Social Security) are all considered in this calculation.

The amount left over after subtracting the expected contribution from your **cost of education*** is considered your financial need. Note that the financial aid administrator can adjust an individual **Family Contribution***—up or down—or can adjust the **cost of education*** if he or she believes the family's financial circumstances warrant it. For example, if you believe the amount you and your family are expected to pay for your education is too high, you can ask your aid administrator to review your case. But, remember, the aid administrator will not automatically adjust the **cost of education*** or an **FC***—there have to be very good reasons for doing so.

If you're a handicapped student, your educational expenses may be higher—and your need therefore greater—because of costs associated with the handicap. To make sure these extra expenses are recognized, the financial aid administrator at your school will work with a representative from your State vocational rehabilitation agency. They will coordinate resources so that your Department of Education and vocational rehabilitation aid will go as far as possible toward meeting your expenses.

*See Glossary, pages 60 to 68.

Dependency Status

Certain questions on your student aid application will determine whether you're considered dependent on your parents and must report their income and assets as well as your own (and your spouse's, if you're married), or whether you're independent and report only your own income (and that of a spouse). Students are classified as dependent or independent because Federal student aid programs are based on the idea that a student's parents have the primary responsibility of paying for their children's education. Students who have access to parental support should not receive Federal funds at the expense of students who don't.

For 1988–89, you're automatically considered an independent student if you're—

- born ~~after~~ before January 1, 1965 (you're at least 24 years old).
- a veteran of the U.S. Armed Forces.

  A veteran is a former member of the Armed Forces who served on active duty, and who did not receive a dishonorable discharge. Former National Guardsmen or Reservists are ***not*** considered veterans. If you aren't a veteran at the time you apply but will become one by June 30, 1989, you may still apply as an independent student.

- a ward of the court, or both your parents are dead and you don't have an adoptive parent or legal guardian.
- a student with legal dependents ***other than*** a spouse.

  If you have a child who gets more than half of his or her support from you, you may count the child. You can count other people as legal

dependents if they live with you ***and*** get more than half their support from you, and will continue to get this support during the 1988-89 school year.

If you know you'll have a legal dependent other than a spouse ***after*** you apply for Federal student aid (and that person will be dependent on you during the 1988-89 award year), you may count that dependent at the time you apply. For example, if you're pregnant, and the baby will be born by June 30, 1989, you may apply as an independent student.

If you're not in one of the categories mentioned above, you're considered independent if you're—

- a single undergraduate student with no dependents, and your parents (or guardian) didn't claim you as a dependent on their **1986** ***or*** **1987** U.S. Income Tax return. Also, you must demonstrate that you had annual total resources (**other than from your parents**) of at least $4,000 in **1986** ***and*** **in 1987.** †

  "Annual total resources" means—

  - *wages, salaries, and tips, etc.
  - *any student financial aid (except PLUS loans)
  - *personal long-term cash loans used for educational purposes
  - *interest income and dividend income
  - *any other income and benefits (such as veteran's cash benefits, fellowships, etc.)

---

†Even though you may meet the criteria in this category, **if you received Federal student aid during the *1987-88* award year,** you will be ***dependent*** if one of the following is true:

—You did not have at least $4,000 in annual total resources (other than from your parents) during **1985** ***and*** **1986.**

—***Anyone*** other than a spouse claimed you as a tax exemption in **1987.**

- a graduate or professional student, and your parents (or guardian) won't claim you as a dependent on their **1988** U.S. Income Tax return. ‡
- married, and your parents (or guardian) won't claim you as a dependent on their **1988** U.S. Income Tax Return. ‡

NOTE: If you claim to be an independent student, your school may ask you to submit proof before you can receive any Federal student aid.

If you think you have unusual circumstances that would make you independent even though you don't fit any of the categories on this list, talk to the financial aid administrator at your school. The aid administrator can change your status to independent if he or she thinks your circumstances warrant it. But remember, the aid administrator won't automatically do this. That decision is based on his or her professional judgment, and it's ***final***—you cannot appeal it to the U.S. Department of Education.

For 1988–89, if you don't fall into one of the categories listed here or have any unusual circumstances, you're considered a ***dependent*** student and must report your parents' (or legal guardian's) financial information when applying for Federal student aid.

NOTE: If your dependency status changes at any time during the award year, you must notify your financial aid administrator immediately.

Applying

Forms

You can use any of the forms listed below to apply for Federal aid. However, for the GSL,

---

‡If you received Federal student aid during the 1987–88 award year, and you were independent because you fell into this category—***and*** if you were claimed as a tax exemption in 1987 ***by anyone other than your spouse***—you will usually ***not*** be independent under this category in 1988–89. If you have special circumstances that you think would make you independent, see your financial aid administrator.

PLUS, or SLS programs, there are some additional steps you will need to take to apply. (See pages 35–41 for information on these programs.)

In order for you to be considered for aid from non-Federal as well as Federal sources, your school may specify which of these forms you should complete. You can get the application you need from your school. The forms are—

- The U.S. Department of Education's "Application for Federal Student Aid" (AFSA)
- The College Scholarship Service's "Financial Aid Form" (FAF)
- The American College Testing Program's "Family Financial Statement" (FFS)
- The Pennsylvania Higher Education Assistance Agency's (PHEAA's) "Application for Pennsylvania State Grant and Federal Student Aid"
- The "Student Aid Application for California" (SAAC)
- The Illinois State Scholarship Commission's "Application for Federal and State Student Aid (AFSSA)"

If you're filling out one of the non-Federal forms and you want to be considered for Federal student aid, you must check a box to have your information forwarded to the Federal processing center. The box is near the end of the form.

When you apply for financial aid, be sure to ***read the instructions*** as you fill out your application. Most mistakes are made because students do not read instructions. In addition to carefully answering the questions about your dependency status, pay special attention to any questions on income. Student status and income are the areas where most mistakes are made.

NOTE: You may not have to answer every question on your application, if the following conditions apply to you:

- Your family's income is $15,000 or less, ***and***
- You, your spouse, and your parents (if you apply as a dependent student), or you and your spouse (if you apply as an independent student), either file an IRS Form 1040A or 1040 EZ, or won't file any U.S. Income Tax form.

You should read your application instructions for more information. If you want to apply for other aid, such as school or State aid, you may have to fill out additional information.

You should apply as soon as possible after January 1, 1988. It will take 4 to 6 weeks for your application to be processed, and you may have to confirm or correct information and return it for reprocessing (see "Student Aid Report," page 12). Reprocessing takes another 2 to 3 weeks. Also, you may have to prove the information you reported is correct (see "Verification," page 13). You need to complete each step in the process promptly, so that you don't miss any deadlines (see "Deadlines," page 16). Missing a deadline means you will lose out on student aid.

Note that aid from Federal programs does not automatically continue from one year to the next. You must reapply every year.

Records Needed

When you fill out an application, you should have certain records on hand. The 1987 U.S. Income Tax Return is the most important one, since you must use specific numbers from specific lines on the tax return to fill out your application. You'll need to refer to your tax return, your parents' return (if you apply as a dependent student), and your spouse's return (if you're married and your spouse filed a separate return). Referring to the tax form will make it easier for you to complete your application and get it through the processing system.

You may apply even if the tax return is not yet completed. However, this means you'll have to estimate the financial information on your application, and you may have to prove the accuracy of your estimate before you are awarded aid. Also, you'll have to change any figures that prove to be incorrect.

Other useful records to have on hand are W-2 forms and other records of income received in 1987, current bank statements and mortgage information, and records of benefits received from

the Social Security Administration, Veterans' Administration, and other agencies.

You should save all records and all other materials used to prepare your application.

Special Circumstances

Although the process of determining a student's eligibility for Federal student aid is generally the same for all applicants, there is some flexibility. For example, as mentioned on page 5, the financial aid administrator can adjust a family's **Family Contribution (FC),*** or a student's **cost of education,*** if he or she believes it's appropriate. Also, a financial aid administrator can adjust a student's dependency status from dependent to independent, if he or she feels circumstances warrant it. (See page 8.) And, as noted on page 9, certain applicants with incomes of $15,000 or less can skip some of the questions on their application.

There may be other special circumstances that would affect the type of information considered in determining eligibility. For example, for 1988–89, most Federal student aid applicants will report their 1987 income information (see "Records Needed," page 10). However, if a family's financial circumstances change for the worse, what was true for 1987 no longer may be accurate for 1988 or 1989. For example, if you're a dependent student, you would normally report your parents' 1987 income. But if one of your parents loses his or her job in 1988 and is out of work for a significant amount of time, it's likely your family's income won't be as high as it was in 1987. Suppose one of your parents (who worked) dies, or one of them loses benefits, such as child support or Social Security. Again, there would be a drop in income. In some cases, a financial aid administrator may adjust your **Family Contribution*** or, for the Pell Grant Program, your **Student Aid Index*** (see page 25), to take into account the change in your financial circumstances.

*See Glossary, pages 60 to 68.

If you indicate on your student aid application that you and/or your parents are **dislocated workers*** or **displaced homemakers,*** special consideration will be given your and/or their financial information.

If you have any questions about what information to report on an aid application, or unusual circumstances that you think would affect the amount you and your family are expected to contribute toward your education, talk to your financial aid administrator.

Student Aid Report (SAR)

If you fill out the Federal application (the AFSA), or if you apply for Federal aid using any of the other forms listed on page 9, you'll receive a Student Aid Report (SAR) 4 to 6 weeks after you send in your application. The SAR contains the information you gave on your application and will contain numbers that tell you about your eligibility for Federal student aid—a **Student Aid Index (SAI)*** number, which determines your Pell Grant eligibility, and a **Family Contribution (FC)*** number, which determines your eligibility for the **campus-based*** and Guaranteed Student Loan programs.

If your **SAI*** indicates you're eligible for a Pell Grant, you'll receive a ***three***-part SAR. Part 1 (the Information Summary) will give you instructions to review the information on your SAR to make sure it is correct and will give you other information about the results of your application. Part 2 (the Information Review Form) is the part you must use to change any information on your SAR that is incorrect. Look at this part carefully. Part 3 (the Pell Grant Payment Document) is for your school's use.

If all the information on your SAR is correct, send a photocopy of ***Part 1*** (the Information Sum-

*See Glossary, pages 60 to 68.

mary) to the financial aid office at each school you're interested in. When you decide which school you'll attend, you must submit ***all three parts*** of your SAR to that school's financial aid administrator. He or she will use your SAR to determine the amount of your Pell Grant.

If you need to change any information on your SAR, make the changes on ***Part 2*** (the Information Review Form), sign the Certification statement on the back, and return ***Part 2*** for reprocessing. You'll receive a new SAR in 2 to 3 weeks.

Even if your SAR says you're not eligible for a Pell Grant, contact your financial aid administrator. He or she may use the FC* number on your SAR to determine whether you're eligible for aid from the other Federal student aid programs.

If it appears that you didn't correctly or completely fill out your application for financial aid, the Department of Education won't be able to determine your eligibility. If this happens, you'll usually receive a ***two***-part SAR. Part 1 will contain comments asking you to confirm, correct, or add information on Part 2 (in this case, called the Information Request Form). After you've done this, sign the Certification statement on the back of Part 2 and return it for reprocessing. You'll get your new SAR in 2 to 3 weeks.

Your financial aid administrator can help you make any changes and can answer any questions you have.

Verification

Either the Department of Education or your school may select you for a process called "verification." This means you will have to prove that what you reported on your application is correct. (Many schools require ***all*** financial aid applicants to verify the information they reported on their aid applications.)

If you're selected, you may be asked to verify information such as—

*See Glossary, pages 60 to 68.

- Income
- Federal income tax paid
- Your household size
- The number of family members enrolled in postsecondary education at least **half-time***
- Certain untaxed income and benefits received

As part of the verification process, you'll have to give your financial aid administrator certain documents or other information. One of those documents may be a verification worksheet. If you're selected for verification at the time your application is processed, you'll receive a worksheet from the application processor. The worksheet asks for information about the verification items listed above. Fill out your answers to the worksheet carefully and submit it to your school along with your SAR. The sooner you verify the information requested, the sooner you'll be able to receive financial aid, if you're eligible.

If you're selected for verification by your school, you'll receive a worksheet later on from your school.

In addition to a verification worksheet, you'll have to give your financial aid administrator a copy of your signed 1987 U.S. Income Tax Return and your spouse's return (if you're married and your spouse filed a separate return). You must also provide a copy of your ***parents'*** signed return, if you filed as a dependent student. (See page 6 for a discussion of dependency status.)

You may have to provide copies of appropriate W-2 forms as well. If no Federal tax form was or will be filed, you (and/or your parents or spouse) must sign a statement to that effect and must list the sources and amounts of income received.

You may also have to provide statements from agencies such as the Social Security Administration, verifying benefits received.

*See Glossary, pages 60 to 68.

If you don't provide proof, you won't receive aid from the Department of Education, and you may not receive aid from other sources.

If you received Federal financial aid as a result of reporting incorrect information, you will have to repay any portion of aid you should not have received. Also, a person who intentionally makes false statements on a Federal aid application is violating the law and is subject to fine or imprisonment or both.

If you're selected for verification, additional deadlines apply to you, beyond those given on page 16. Your financial aid administrator will tell you what they are.

Transfer Students

If you transfer from one school to another, your financial aid does ***not*** automatically go with you. To receive aid at your new school, check with that school's financial aid administrator to find out what programs are available and what steps you must take. If you've received Federal student aid and decide to transfer, you must have your old school(s) send a **financial aid transcript*** to your new school; otherwise, you won't receive aid from Department of Education programs.

If you have a Pell Grant, you must get a duplicate of your Student Aid Report (see page 12) to submit to your new school's financial aid administrator. To receive a duplicate SAR, write to the address on page 17.

If you have a Guaranteed Student Loan, a PLUS, or an SLS, you'll have to reapply. Contact your lender.

If you have a Perkins Loan, a Supplemental Educational Opportunity Grant, or a College Work-Study job, check with the financial aid administrator at your new school to find out if funds from these programs are available.

*See Glossary, pages 60 to 68.

Deadlines

May 1, 1989. Your student aid application must be ***received*** by the appropriate application processor by this date. There are ***no exceptions*** to this deadline. The application you fill out will contain the address of the appropriate processor.

You should apply as soon after January 1, 1988 as you can. Schools often set deadlines early in the calendar year that students must meet in order to receive certain types of funds, including those from the **campus-based programs.***

June 30, 1989, or your last day of enrollment in 1988–89, whichever comes first. This is the deadline for submitting your SAR to your school's financial aid office.

Be sure you know your last day of enrollment in 1988–89—it may be earlier than June 30. The earlier you can submit your SAR, the better.

Addresses

Send in your application to the address given in your application booklet.

To find out if your application has been processed, write to—

Federal Student Aid Programs
P.O. Box 4185
Iowa City, Iowa 52244

(Remember, it takes 4 to 6 weeks for processing.)

After you receive your Student Aid Report (SAR), if you have to make any corrections or additions, make them on Part 2 of the SAR, sign the Certification on the back, and send it to—

Federal Student Aid Programs
P.O. Box 4152
Iowa City, Iowa 52244

You'll receive your new SAR in 2 to 3 weeks.

*See Glossary, pages 60 to 68.

20

To request a copy of your SAR or correct your address, write to—

Federal Student Aid Programs
P.O. Box 4184
Iowa City, Iowa 52244

These actions will take 2 to 3 weeks to process.

Whether you're checking on your application or requesting a copy of your SAR, make sure you include in your letter your full name, permanent address, Social Security Number, date of birth, and signature.

Telephone Numbers

There may be times when you have questions about your application, your SAR, or other Federal student aid matters, and you need an answer right away. If so, you may call one of the numbers below:

Federal Student Aid Information Center—(800) 333-INFO (This is a ***toll-free*** number)

The Information Center provides the following services:

- Helping you file an application or correct a SAR
- Checking on whether a school takes part in Federal student aid programs
- Explaining student eligibility requirements
- Explaining the process of determining financial aid awards
- Solving payment problems
- Explaining the verification process
- Explaining general program requirements
- Mailing publications

You may call between the hours of 9:00 a.m. and 5:30 p.m. (Eastern Standard Time), Monday through Friday.

Application Processing Center—(319) 337-3738

If you want to find out if your application has been processed, or if you want to request a duplicate Student Aid Report (SAR), call the Pro-

21

cessing Center, located in Iowa City, Iowa. You may call between 9:00 a.m. and 7:00 p.m. (Eastern Standard Time), Monday through Friday.

Please note that you will have to pay for calls to the Processing Center. The Center cannot accept collect calls.

Student Rights and Responsibilities

Education after high school costs you time, money, and effort. It's a big investment, and you should carefully evaluate the school you're considering. To help you make a good choice, you should have information on a school's academic programs, facilities, **cost of education,*** refund policy, and financial aid programs.

Student Rights

You have the right to ask a school—

- The names of its accrediting and licensing organizations.
- About its programs; its instructional, laboratory, and other physical facilities; and its faculty.
- What the cost of attending is, and what its policy is on refunds to students who drop out.
- What financial assistance is available, including information on all Federal, State, local, private, and institutional financial aid programs.
- What the procedures and deadlines are for submitting applications for each available financial aid program.
- How it selects financial aid recipients.
- How it determines your financial need. This process includes how costs for tuition and fees, room and board, travel, books and supplies, and personal and miscellaneous expenses are considered in your **cost of education.*** It also includes the resources considered in calculating your need (such as parental contribution, other financial aid, **assets,*** etc.).

*See Glossary, pages 60 to 68.

- How much of your financial need, as determined by the school, has been met.
- How and when you'll be paid.
- To explain each type and amount of assistance in your **financial aid package.***
- What the interest rate is on any student loan you have, the total amount you must repay, the length of time you have to repay, when you must start repaying, and what cancellation or deferment (postponement) provisions apply. (To find out more about what your school must tell you about your loan, see "Borrower Rights," page 43.)
- If you're offered a College Work-Study job—what kind of job it is, what hours you must work, what your duties will be, what the rate of pay will be, and how and when you'll be paid.
- To reconsider your aid package, if you believe a mistake has been made, or if your enrollment or financial circumstances have changed.
- How the school determines whether you're making **satisfactory progress,*** and what happens if you're not.
- What special facilities and services are available to the handicapped.

Student Responsibilities

It is your responsibility to—

- Review and consider all information about a school's program before you enroll.
- Pay special attention to your application for student financial aid, complete it accurately, and submit it on time to the right place. Errors can delay or prevent your receiving aid.
- Know all the deadlines for applying or reapplying for aid, and meet them.
- Provide all documentation, corrections, and/or new information requested by either the finan-

*See Glossary, pages 60 to 68.

cial aid office or the agency to which you submitted your application.

- Notify your school of any information that has changed since you applied.
- Read, understand, and keep copies of all forms you're asked to sign.
- Repay any student loans you have. When you sign a **promissory note,*** you're agreeing to repay your loan.
- Attend an **exit interview*** at your school, if you have a Perkins Loan (or National Direct Student Loan [NDSL]), Guaranteed Student Loan, PLUS loan, or SLS.
- Notify your school of a change in your name, address, or attendance status (**half-time,*** three-quarter-time, or full-time). If you have a loan, you must also notify your lender of these changes.
- Satisfactorily perform the work agreed upon in a College Work-Study job.
- Understand your school's refund policy.

Choosing A School Carefully

If you've skipped over the "Student Rights" section, go back and look at it. The steps listed there not only tell you some things you have a right to find out about a school you're considering, but what you ***ought*** to find out. You are a consumer—only you're not buying a car or a refrigerator, you're buying an education. You ought to know what you'll be getting for your money. When you enroll in school, you expect to learn certain subjects, or maybe certain skills that will help you get a specific job. Will you? A lot depends on you.

There are a few things to watch out for no matter what kind of school you're interested in attending.

- ***Check the school's accreditation.*** But don't assume if a school is accredited that's all you need to know. Accreditation means a private educational agency or association has evaluated a school

*See Glossary, pages 60 to 68.

and found it meets certain ***minimum*** requirements that agency has set. And don't think that because a school is accredited or because it takes part in the U.S. Department of Education's student financial aid programs that the Department has "approved" the school.

The U.S. Department of Education uses specific legislative and regulatory criteria to determine whether a school is eligible to take part in its student aid programs. However, this eligibility status does ***not*** mean the Federal Government has approved the school's curriculum, policies, or administrative practices, ***except*** as they relate to the school's operation of Federal student aid programs. Nor does it mean that the school is endorsed by the Federal Government, or that the U.S. Department of Education has evaluated the quality or suitability of the education offered.

• ***Evaluate a school's quality for yourself.*** A school can be very good but still not meet your individual needs. Visit as many of the schools you are considering as you can. Ask to sit in on classes. Talk to recent graduates about the school's courses, its professors or instructors, even its social life and living facilities, if applicable.

Talk to the instructors yourself. If a school advertises a well-known teacher, how much time does he or she spend in the classroom as opposed to doing research, for example? Do the instructors have degrees or training from legitimate and accredited or licensed institutions? Do they have experience in their subject area?

Does the school offer a catalog or other written document showing what courses are offered and when? How many credits do you need to graduate or complete the coursework? Can those credits be transferred to another school? Ask how many students finish. A high dropout rate may mean students weren't satisfied with the education they were receiving.

What is the size of most classes? Will you have enough contact with your instructors? If you're attending a school that offers training using equipment, make sure the classes are not so large you

never get to use it. If a school advertises a certain kind of equipment, make sure it actually has that equipment. Is it modern and what you'll actually be using in your field later on?

• ***Find out about job placement rates.*** Many students are concerned about being able to get a job in their chosen field after they leave school. What is the school's job placement rate? Check with former graduates or prospective employers, not just the school. What is the placement rate of your chosen profession in general? If the school advertises its job placement rates, it must also publish the most recent available data about employment statistics, graduation statistics, and any other information necessary to back up its claims. This information must be available at or before the time you apply for admission to the school.

Does the school provide instruction on topics necessary for State or professional certification of graduates? If a school says it will help you find a job, what does this include? Will the school contact potential employers and set up interviews? Will you receive counseling on how to obtain and keep a job?

• ***Ask for specifics on the school's refund policy.*** What happens if you have to drop out because you get sick, for example? Can you get a partial refund, depending on how much of the course work you've completed? Watch out for schools that do not state, ***in writing,*** that they will refund your money under certain conditions. If you sign a contract, does it contain a clause allowing you to cancel it within a short period of time, if you change your mind about attending the school?

• ***Check several sources to find out the answers to questions you may have about a school.*** Talk to high school counselors, local employers, and the State Department of Education that has jurisdiction over the school. See if any complaints have been filed about the school with the local Better Business Bureau, Chamber of Commerce, or consumer protection division of

the State Attorney General's office. And contact these organizations if ***you*** have a complaint about a school.

You're paying for an education. Make sure you get it.

Five U.S. Department of Education Programs

Pell Grants

►Grant—no repayment
►For undergraduates only
►Must be enrolled at least **half-time***
►Usually limited to 5 full years of study

What is a Pell Grant?

Pell Grants are awards to help undergraduates pay for their education after high school. For many students, these grants provide a "foundation" of financial aid, to which aid from other Federal and non-Federal sources may be added. Unlike loans, grants don't have to be paid back.

If you received a Pell Grant for the first time in the 1987–88 award year (or if you receive one for the first time in the 1988–89 award year), your Pell Grant eligibility will usually be limited to 5 full years of undergraduate study, not counting remedial course work. (You can receive a Pell Grant for up to 1 full year of remedial courses.)

You may receive a Pell Grant for a sixth full year of undergraduate study if you're enrolled in a program that requires more than four years to complete a bachelor's degree.

Your school may waive the limits discussed above if you become ill or injured, or if a relative of yours has died. Your school may also waive the limits for individual hardship cases. Check with your school.

If you received a Pell Grant in 1986–87 or earlier, you may receive Pell Grants until you get your first bachelor's degree.

*See Glossary, pages 60 to 68.

How do I qualify?

You must be attending school at least **half-time.***

To determine if you're eligible, the Department of Education uses a standard formula, passed into law by Congress, to evaluate the information you report when you apply for a Pell Grant. The formula produces a **Student Aid Index*** number. Your Student Aid Report (see page 12) contains this number and will tell you whether you're eligible.

The formula used to determine your **Student Aid Index*** is too long to be included here. However, you can get a booklet that describes the formula in detail by writing to Formula Book, Department K-9, Pueblo, Colorado 81009-0015.

My Student Aid Report (SAR) says I'm ineligible. But there are some things about my family's financial situation that I think should be considered. Is there any way my *Student Aid Index (SAI) can be changed?**

Talk to your financial aid administrator. He or she can adjust your **SAI*** if he or she decides your circumstances justify it. But that decision is based solely on the aid administrator's professional judgment. The decision is ***final*—you cannot appeal it to the U.S. Department of Education.**

How much money can I get?

Awards for the 1988-89 academic year (July 1, 1988 to June 30, 1989) will depend on program funding. The maximum award for the 1987-88 academic year was $2,100. How much you actually get will depend on your **Student Aid Index*** number, the **cost of education*** at your school, whether you're a full-time or part-time student, and how long you'll be enrolled in the 1988-89 academic year.

*See Glossary, pages 60 to 68.

When should I apply?

The sooner, the better. Your 1988-89 application must be ***received*** by the appropriate application processor ***no later than*** May 1, 1989.

How will I be paid?

You must submit all three parts of your Student Aid Report (SAR) to your school. Your school will then credit your award to your account, pay you directly, or use a combination of these methods. The school must tell you in writing how and when you'll be paid and how much your award will be. For the school's records, you should acknowledge in writing the school's notification. Schools must pay at least once per term (semester, trimester, or quarter). Schools that do not use formally defined, traditional terms must pay at least twice per academic year.

If I submit my Student Aid Report to the financial aid office late in the school year, can I still be paid a Pell Grant?

Yes. If you submit your SAR before the deadline noted on page 16, you can be paid for all periods of eligible attendance at the school where you're enrolled. But you should submit your SAR as soon as possible, because your financial aid administrator may use it in considering you for other forms of aid, which may have earlier deadlines you must meet.

I'm going to be taking courses from two schools at the same time. Can I get a Pell Grant from each school?

No. Usually, the school that grants your degree is the school that will pay you. If you're enrolled in degree programs at two different schools, check with the financial aid administrator at each one to find out how you'll be paid.

Supplemental Educational Opportunity Grants

- ►Grant—no repayment
- ►For undergraduates only
- ►**Campus-based program***
- ►Amount of award based on need and availability of funds

What is an SEOG?

A Supplemental Educational Opportunity Grant (SEOG) is an award to help you pay for your education after high school. It's for undergraduate students with exceptional financial need (with priority given to Pell Grant recipients), and it doesn't have to be paid back.

How much can I get?

You can get up to $4,000 a year, depending on your need (see page 5), the availability of SEOG funds at your school, and the amount of other aid you're receiving.

When should I apply?

Different schools set different deadlines. They are usually early in each calendar year, so apply as soon as possible. Find out what the deadlines are by checking with the financial aid administrator at your school.

How will I know if I'm going to get an SEOG?

Your school will send you a letter listing the amount and kinds of financial aid you'll get.

What's the difference between an SEOG and a Pell Grant?

The Department of Education guarantees that each participating school will receive enough

*See Glossary, pages 60 to 68.

money to pay the Pell Grants of its students. An SEOG is different. Each school receives a set amount of money for SEOG's, and when that money is gone, there are no more SEOG's for that year. That's why it's important to meet the school's financial aid application deadlines.

How will I be paid?

Your school will credit your SEOG to your account, pay you directly, or use a combination of these methods. Schools must pay students at least once per term (semester, trimester, or quarter). Schools that do not use traditional terms must pay at least twice during the academic year.

I'm going to school part-time. Can I get an SEOG?

You may be able to. A school may choose to award part of its SEOG funds to part-time students—even, in some cases, to less than **half-time*** students. To find out if your school does this, contact the financial aid administrator.

College Work-Study

- ►Provides jobs to earn money for school
- ►For undergraduate and graduate students
- ►**Campus-based program***
- ►Amount of award based on need and availability of funds

What is College Work-Study?

The College Work-Study (CWS) Program provides jobs for undergraduate and graduate students who need financial aid. CWS gives you a chance to earn money to help pay your educational expenses.

How much can I make?

Your pay will be at least the current Federal

*See Glossary, pages 60 to 68.

minimum wage, but it may also be related to the type of work you do and its difficulty.

Your total CWS award depends on your need (see page 5), the amount of money your school has for this program, and the amount of aid you get from other programs.

When do I apply?

Each school has its own deadlines. However, they are usually early in each calendar year, so apply as soon as possible. Find out what the deadlines are by checking with the financial aid administrator at your school.

How will I be paid?

If you're an undergraduate, you'll be paid by the hour. If you're a graduate student, you may be paid by the hour or you may receive a salary. No CWS student may be paid by commission or fee. Your school will pay you at least once a month.

Are College Work-Study jobs on-campus or off-campus?

Both. If you work on-campus, you'll work for your school. If you work off-campus, your job will usually involve work that is in the public interest, and your employer will usually be a private or public non-profit organization, or a local, State, or Federal agency. However, some schools may have agreements with private sector employers for CWS jobs.

Can I work as many hours as I want?

No. Your school sets your work schedule. In arranging a job and assigning work hours, your class schedule, your health, and your academic progress will be taken into account. Remember, the amount you earn can't exceed your total CWS award.

I'm going to school part-time. Can I get a CWS job?

You may be able to. A school may use part of

its CWS funds for part-time students, and even in some cases, for less than **half-time*** students. To find out if your school does this, contact the financial aid administrator.

How will I know if I'm going to get a CWS job?

Your school will send you a letter listing the amount and kinds of financial aid you'll get, including information about CWS employment.

Perkins Loans (formerly National Direct Student Loans—NDSL's)

- ►Loan—must be repaid
- ►For undergraduate and graduate students
- ►**Campus-based program***
- ►Amount of loan based on need and availability of funds

What is a Perkins Loan?

The National Direct Student Loan has been renamed the Perkins Loan as a memorial to Carl D. Perkins, the late chairman of the House Education and Labor Committee, for his support of public education and for his particular concern for a program of direct Federal loans to students. The Perkins Loan is a low-interest (5 percent) loan to help you pay for your education after high school. These loans are for both undergraduate and graduate students and are made through a school's financial aid office. Check with your financial aid administrator to find out if your school takes part in the Perkins Loan Program.

How much can I get?

Depending on your financial need (see page 5),

*See Glossary, pages 60 to 68.

the availability of Perkins Loan funds at your school, and the amount of other aid you're receiving, you may borrow up to—

- $4,500 if you're enrolled in a vocational program, or if you have completed less than 2 years of a program leading to a bachelor's degree.
- $9,000 if you're an undergraduate student who has already completed 2 years of study toward a bachelor's degree and has achieved third-year status. (This total includes any amount you borrowed under Perkins/NDSL for your first 2 years of study.)
- $18,000 for graduate or professional study. (This total includes any amount you borrowed under Perkins/NDSL for your undergraduate study.)

When do I apply?

Each school sets its own deadlines. They are usually early in each calendar year, so apply as soon as possible. Find out what the deadlines are by checking with the financial aid administrator at your school.

I'm going to school part-time. Can I get a Perkins Loan?

You may be able to. A school can make Perkins Loans available to part-time students, and even in some cases, to less than **half-time*** students.

How will I be paid?

After you sign a **promissory note*** agreeing to repay the loan, your school will either pay you directly or credit your account. You'll receive the loan in at least two payments.

How will I know if I'm going to get a Perkins Loan?

Your school will send you a letter listing the

*See Glossary, pages 60 to 68.

amount and kinds of financial aid you'll get and will include information about the Perkins Loan, if it is part of your **financial aid package.***

When do I pay back my Perkins Loan?

If you are a **new borrower,*** and you're attending at least **half-time,*** you have a "grace period" of 9 months after you graduate, leave school, or drop below **half-time.*** If you're a less than **half-time*** student, your grace period may be different. Check with your financial aid administrator.

At the end of the grace period you must begin repaying your loan. (If you are not a **new borrower,*** your grace period is 6 months.) You may be allowed up to 10 years to repay your loan.

How much will I have to pay each month?

The amount of each payment depends upon the size of your debt and the length of your repayment period, but usually you must pay at least $30 per month. In special cases—for example, if you're unemployed or ill for a long period of time—your school may allow you to make payments that are less than $30 per month or may extend your repayment period.

The following chart shows typical monthly payments and total interest charges for three different 5 percent loans over a 10-year period.

Total Loan Amount	Number of Payments	Monthly Payment	Total Interest Charges	Total Repaid
$ 4,500	120	$ 47.73	$1,227.60	$ 5,727.60
9,000	120	95.46	2,455.20	11,455.20
18,000	120	190.92	4,910.40	22,910.40

What happens if I don't pay back my loan?

You may go into **default.*** If you do, your school can require you to repay the entire amount im-

*See Glossary, pages 60 to 68.

mediately, including all interest and penalty charges. It can sue you to collect that amount, and it can ask the Federal Government for help in collecting from you. The school or the Federal Government can also notify credit bureaus of your **default,*** and this may affect your future credit rating. Also, the Internal Revenue Service may withhold your income tax refund and apply it toward your loan.

Can I defer (postpone) repayment of my Perkins Loan after I leave school?

Under certain conditions, yes. However, deferments are not automatic. To obtain a deferment, you must first apply to your school, using a deferment request form which you must get from your school.

A summary of deferments available to Perkins Loan borrowers is on pages 48 and 49. For more detail, contact your financial aid administrator.

Can my Perkins Loan be cancelled?

Your loan will be cancelled if you die or become totally and permanently disabled.

Part of your loan will be cancelled for each complete academic year you're a full-time teacher of handicapped children, or for each complete academic year you teach full-time in a designated elementary or secondary school that serves low-income students. In both these cases, your entire loan will have been cancelled after the fifth consecutive year of teaching. To find out whether the school you're teaching in is a designated school, contact the school that made you the loan.

Part of your loan will be cancelled for each year of full-time work in specified Head Start programs. After the seventh year, your entire loan will have been cancelled.

*See Glossary, pages 60 to 68.

Up to 70 percent of your loan can be cancelled for service as a Peace Corps or VISTA volunteer—30 percent during the first two years, 40 percent during the next two years.†

If you serve as an enlisted person in certain selected specialties of the U.S. Army, the Army Reserves, or the Army National Guard, the Department of Defense will, as an enlistment incentive, ***repay*** a portion of your loan. If you think you may qualify, contact your recruiting officer.

I've heard about a new loan with monthly payments based on how much you earn. Can I apply for one?

An Income Contingent Loan Program (ICL) Demonstration Project will examine the possibility of a loan program with the amount of monthly payments based on the borrower's current income, and with an extended repayment period. After an initial two-year payment period, monthly loan payments would be adjusted based on the amount of the loan and the borrower's income. The Demonstration Project will be tested in 10 schools during the 1988-89 academic year, and may be more widely available in 1989-90.

What are my rights and responsibilities as a borrower?

See "Before You Borrow" on page 42 for information on your obligations as a borrower, and on what kind of information your school must provide you concerning your loan.

If you have any questions about the terms of your Perkins Loan, repayment obligations, deferment, or cancellation, check with the school that made you the loan. Remember, only that school can grant deferment or cancellation, or make decisions concerning your loan.

---

†For **new borrowers*** only.

Guaranteed Student Loans

- ►Loan—must be repaid
- ►For undergraduate and graduate students
- ►GSL borrowers must be enrolled at least **half-time***
- ►GSL borrowers may have to apply for a Pell Grant

What is a GSL?

A Guaranteed Student Loan (GSL) is a low-interest loan made to you by a lender such as a bank, credit union, or savings and loan association, to help you pay for your education after high school. These loans are insured by the **guarantee agency*** in your State (see the list beginning on page 50) and reinsured by the Federal Government.

For **new borrowers*** who take out a loan before July 1, 1988, the interest rate is 8 percent. For **new borrowers*** who seek loans for periods of enrollment beginning on or after July 1, 1988, the interest rate is 8 percent for the first 4 years of repayment and 10 percent after that. For students who currently have a 7 or 9 percent GSL, the interest rate on additional GSL's will continue to be 7 or 9 percent.

How much can I borrow?

Depending on your need, you may borrow up to—

- $2,625 a year, if you're a first- or second-year undergraduate student.
- $4,000 a year, if you have completed 2 years of study and have achieved third-year status.
- $7,500 a year, if you're a graduate student.

*See Glossary, pages 60 to 68.

The total GSL debt you can have outstanding as an undergraduate is $17,250. The total for graduate or professional study is $54,750, including any GSL loans made at the undergraduate level.

You can't borrow more than the **cost of education*** at your school, minus any other financial aid you receive.

Remember, all GSL applicants must show financial need, and in some cases, the amount of your need may limit the size of your GSL. (Financial need is discussed on page 5.)

How do I apply?

You get a GSL application from a lender, a school, or your State **guarantee agency.*** After you fill out your part of the application, the school you plan to attend must complete its part, certifying your enrollment, your **cost of education,*** your academic standing, any other financial aid you'll receive, and your financial need. Before you can receive a GSL, your school must first determine your eligibility for a Pell Grant, if you're an undergraduate and your school participates in the Pell Grant Program. If you're eligible, the amount of your Pell Grant will be considered in determining your **financial aid package,*** so that you won't be overawarded.

When the school's portion of the application is completed, you or your school submits it to the GSL lender you've chosen. If the lender agrees to make the loan and gets the approval of the **guarantee agency,*** the lender will send the loan amount to the school in one or more payments. (In general, for longer periods of enrollment, the loan will be divided into two or more installments.)

When should I apply?

You should begin looking for a lender as soon as you are accepted by your school. After you submit your application to a lender and the lender

*See Glossary, pages 60 to 68.

agrees to make the loan, it usually takes 4 to 6 weeks to get your loan approved by the **guarantee agency,*** so give yourself as much time as possible to complete the loan application process.

When do I pay back my GSL?

Loan repayments begin either 6 months after you graduate, leave school, or drop below **half-time*** status if your interest rate is 8 or 9 percent, or 9 to 12 months after you graduate, leave school, or drop below **half-time*** status if your interest rate is 7 percent. The lender generally must allow you at least 5 years to repay the loan and may allow up to 10 years.

When you graduate, leave school, or drop below **half-time*** status, you must notify your lender.

How much will I have to pay each month?

The amount of each payment depends upon the size of your debt and the length of your repayment period, but you will usually have to pay at least $50 per month or $600 per year. You should ask your lender what your monthly payments will be before you take out the loan.

The following examples show typical monthly payments and total interest charges for 8 percent loans of varying amounts, with typical repayment periods.

TYPICAL REPAYMENT PLANS

Total GSL Indebtedness	Number of Payments	Monthly Payment	Interest Charges	Total Repaid
$ 2,500	60	$ 50.70	$ 541.46	$ 3,041.46
5,000	60	101.39	1,082.92	6,082.92
10,000	120	121.33	4,559.31	14,559.31
12,500	120	151.67	5,699.14	18,199.14
25,000	120	303.33	11,398.28	36,398.28

Source: Massachusetts Higher Education Assistance Corporation, from **Everything You've Always Wanted To Know About Repaying Your GSL,** copyright 1985 MHEAC

*See Glossary, pages 60 to 68.

What happens if I don't pay back my loan?

You may go into **default.*** If you do, the **guarantee agency*** or the Federal Government can sue you to collect the loan, and you may be required to repay the entire amount immediately. Credit bureaus will be notified of your **default,*** and this may affect your future credit rating. Also, the Internal Revenue Service may withhold your income tax refund and apply it toward your loan. If your loan is in **default,*** you can't get additional Federal student aid until you make satisfactory arrangements to repay your loan, and you won't be eligible for deferment of the defaulted loan.

Is there any charge for making a GSL?

Yes, you must pay an "origination fee" of 5 percent, which will be deducted proportionately from each loan disbursement made to you. The money is passed on to the Federal Government to help reduce the Government's cost of subsidizing these low-interest loans.

The **guarantee agency*** in your State may also charge you an insurance premium of up to 3 percent of the loan principal. This premium must be deducted proportionately from each disbursement.

Can I defer (postpone) repayment of my GSL after I leave school?

Under certain conditions, yes. A summary of GSL deferments is on pages 48 and 49. However, deferments are not automatic. If you believe you're eligible for a deferment, contact your lender. For more detail about deferment and repayment of GSL's, contact your financial aid administrator, your lender, or the **guarantee agency*** in your State (see the list beginning on page 50).

Can my GSL be cancelled?

Only if you become totally and permanently

*See Glossary, pages 60 to 68.

disabled, or if you die. However, if you serve as an enlisted person in certain selected specialties of the U.S. Army, the Army Reserves, or the Army National Guard, the Department of Defense will, as an enlistment incentive, ***repay*** a portion of your GSL. If you think you may qualify, contact your recruiting officer.

What are my rights and responsibilities as a GSL borrower?

See "Before You Borrow" on page 42 for information on your obligations as a borrower, and on what kind of information your lender must provide you concerning your loan.

If you have any questions about the terms of your GSL, repayment obligations, deferment, or cancellation, check with your lender. Remember, only your lender can grant deferment or cancellation, or make decisions concerning your loan.

PLUS Loans and Supplemental Loans for Students (SLS)

What are PLUS and SLS loans?

PLUS loans are for parent borrowers; SLS's are for students. Both loans provide additional funds for educational expenses and, like GSL's, are made by a lender such as a bank, credit union, or savings and loan association. Before July 1, 1987, interest rates on PLUS loans ranged from 9 to 14 percent, depending on when the loan was made. The interest rate for each loan is shown on the **promissory note,*** signed by the borrower when the loan was made.

SLS and PLUS loans disbursed on or after July 1, 1987 will have a variable interest rate, adjusted each year. For the 1987-88 award year, the interest rate is 10.27 percent. The interest rate for the 1988-89 award year will be determined in June 1988.

*See Glossary, pages 60 to 68.

Who can get a loan, and how much can they borrow?

- PLUS enables parents to borrow up to $4,000 per year, to a total of $20,000, for each child who is enrolled at least **half-time*** and is a dependent student. (See page 6 for a discussion of dependency status.)
- Under SLS, graduate students and independent undergraduates may borrow up to $4,000 per year, to a total of $20,000. This amount is in addition to the GSL limits. (In exceptional circumstances, the financial aid administrator may authorize dependent undergraduates to apply for an SLS.)

How does a borrower apply?

The same way as for a GSL. Unlike GSL borrowers, however, PLUS and SLS borrowers do not have to show need, although like all borrowers, they may have to undergo a credit analysis.

Is there any charge for making a PLUS loan or an SLS?

The **guarantee agency*** in your State may charge an insurance premium of up to 3 percent of the loan principal. This premium must be deducted proportionately from each loan disbursement made to you. There is no origination fee for these loans.

What are the repayment and deferment conditions?

SLS and PLUS borrowers must begin repaying interest within 60 days after the loan is disbursed, unless the lender agrees to let the interest accumulate until the deferment ends.

SLS borrowers get the same deferments as GSL borrowers. However, under SLS, the deferments apply only to loan principal. PLUS deferments are much more limited, and also apply only to principal. A summary of SLS and PLUS deferments is

*See Glossary, pages 60 to 68.

on pages 48 to 49. For more detail about specific repayment and deferment conditions for SLS and PLUS loans, contact your financial aid administrator, your lender, or the **guarantee agency*** in your State.

I'm having trouble finding a lender. What should I do?

Contact your State **guarantee agency.*** It's the best source of information on the GSL, PLUS, and SLS programs in your State.

Banks and other lenders take part voluntarily in these programs and lend their own money. While the Department of Education encourages lenders to provide student loans, it can't dictate the policies of a lending institution, as long as those policies don't discriminate on the basis of the applicant's race, religion, national origin, sex, age, marital status, or handicap, or because the applicant is receiving public assistance, or because the applicant has exercised any rights under the Consumer Credit Protection Act.

What are the rights and responsibilities of a PLUS or SLS borrower?

Many of the rights and responsibilities of GSL borrowers also apply to PLUS and SLS borrowers. See "Before You Borrow" on page 42 for information on your obligations as a borrower, and to find out what kind of information your lender must give you concerning your loan.

Lenders will also inform you of any refinancing options available to you when you take out a loan. If you have a GSL, PLUS, or SLS, and need to borrow again, consider applying to the lender who made you your first loan, to make future loan refinancing easier. To find out more, contact your lender.

*See Glossary, pages 60 to 68.

Debt Management

Before You Borrow

Before you make a final decision to borrow, here are some things you should consider. Explore the possibility of aid from foundations, companies, and professional organizations, as suggested on pages 1 and 2.

You may also want to consider a school that offers cooperative education programs. Check to see if your school will hold a place for you if you take a leave of absence in order to earn money to continue your education.

When you decide to take out a student loan, you're making a commitment based on your ***future*** earnings. Before you borrow, ask yourself the following questions:

How much of a debt burden can I afford? The charts on pages 32 and 37 give examples of monthly payments for specific loan amounts. If you plan to apply for student loans each year you're in school, try to estimate how much your monthly payments will be when you leave school. If you need more information on debt management, contact your financial aid administrator, your lender, or the **guarantee agency*** in your State.

What if my plans change? A change in career goals, loss of a job, or some other unexpected change in your school or work situation could occur, making loan repayment more difficult than you anticipated. If that happens after you've begun loan repayment, loan consolidation (see page 46) or refinancing may be of help to you. However, if your loan is in **default,*** you won't be able to refinance it, and loans more than 90 days delinquent are not eligible for consolidation. Your lender can provide more information about

*See Glossary, pages 60 to 68.

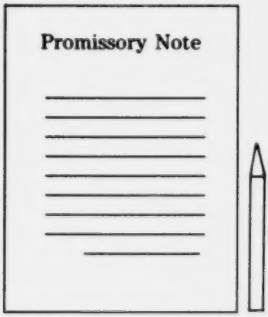
loan consolidation and refinancing options available to you.

Many students don't know exactly what they want to do when they leave school, and most people change jobs and career goals a number of times during their working lives. The deferment conditions for various loans (summarized in the chart on pages 48 and 49) can help when your plans change, but the resulting extended repayment period will be a long-term financial obligation.

What are my rights and responsibilities as a borrower? While Federal student loan programs differ in some ways, your rights and responsibilities as a borrower are basically the same for all programs. Here are some of the things you should know before you take out a loan.

Borrower Rights

When you take out a loan, you sign a **promissory note.*** You must be given a copy of the completed note, and the original note must be returned to you when the loan is paid in full.



You have the right to a "grace period" before your repayment period begins, if your loan provides for one. The grace period begins when you leave school or drop below **half-time*** status. The exact length of this period is shown on your **promissory note.***

You must be given a list of deferment conditions and the conditions under which the Department of Defense will repay your loan.

If you have a GSL, your loan check must be made payable to you or to both you and your school.

Before your school gives you your first loan disbursement, your school/lender must also give

*See Glossary, pages 60 to 68.

you the following information about your loan:

- The full amount of your loan, the interest rate, and when you must start repaying.
- A complete list of loan fees, and information on how they're collected.
- The yearly and total amounts you can borrow, and the maximum and minimum repayment periods.
- A current description of loans you owe your school and/or lender, an estimate of what your total debt will be, and what your monthly payments will be.
- An explanation of **default*** and its consequences.
- An explanation of refinancing and consolidation options, and your option to prepay your loan at any time without penalty.

Before your repayment period begins, your school/lender must tell you—

- The amount of your total debt (principal and interest), what your interest rate is, and the total interest charges on your loan.
- Where to send your payments, and where to write if you have questions about your loan.
- When your first payment is due, and the number, frequency, and amount of all payments.
- What fees you should expect during the repayment period.
- About prepayment, refinancing, and consolidation options.

You also must be given a loan repayment schedule. If you're willing but unable to meet your repayment schedule because of unusual circumstances, and you have a Perkins Loan or NDSL, you may request a delay in repayment. If you have a GSL, PLUS, or SLS, you may request forbearance, if you're willing but unable to meet your repayment schedule and are not eligible for a deferment. Forbearance means permitting payments to be stopped temporarily, allowing an extension of time for making payments, or mak-

*See Glossary, pages 60 to 68.

ing smaller payments than were previously scheduled. Your lender does not have to grant forbearance or a delay in repayment.

If your loan is a GSL, you have a right to Federal interest benefits. This means that the Federal Government will pay the interest on your loan until your repayment period begins and will also pay during authorized deferment periods. (If you don't qualify for Federal interest benefits, you must arrange with the lender to pay the interest on your GSL.)

If you have a GSL, PLUS, or SLS, and the lender sells the loan or transfers the right to receive payments, you must be notified.

Borrower Responsibilities

If you want a GSL, PLUS, or SLS, you must find a lender willing to make the loan. If you have a Perkins Loan, your school is your lender. In any case, you must notify your lender if you—

- Graduate, withdraw from school, or drop below **half-time*** status.
- Transfer to another school.
- Change your name, address, or Social Security Number.

If your address changes while you're in school, you must notify your school of the change.

If your loan is a GSL, PLUS, or SLS, you (or your parent, if the loan is a PLUS) must notify the lender if you fail to enroll in school for the period for which the loan was intended.

You must repay the loan according to the repayment schedule your school/lender will give you.

You must notify your school/lender of anything that affects your ability to repay the loan or your eligibility for deferment or cancellation.

Remember, your loan money can only be used for tuition and other related education expenses.

Before you leave school, you must attend an **exit interview.***

*See Glossary, pages 60 to 68.

Consolidating Your Loans

I may have to take out more than one student loan to finance my education. Can I pay back these loans using one payment plan?

You may be able to. A loan consolidation program is available to students or parent borrowers having loans totalling at least $5,000. Except for PLUS loans to parent borrowers, the student loans described in this booklet will be eligible for consolidation, as will loans made under the Health Professions Student Loan Program. Loan consolidation allows the Student Loan Marketing Association (Sallie Mae) and eligible lenders to pay off your existing student loans and to create one new loan. The interest rate on the consolidated loan will be 9 percent or more, depending on the interest rates of the loans consolidated. The repayment period will be from 10 to 25 years, depending on the amount to be repaid.

Finally, if you do decide to borrow, here are some points to remember:

- **Be an informed borrower.** Review loan deferment provisions, repayment terms, and refinancing and consolidation options ***before*** loan repayment begins.
- **Keep records on all your loans,** keep them up-to-date, and keep them together in one place.
- **Keep your lender informed** of your current address, any changes in your repayment status, and about problems, if any, with loan repayment.

DEFERMENT SUMMARY: PERKINS LOANS AND GSL/PLUS/SLS

Deferment Condition	Perkins	GSL	PLUS	SLS
Study at a postsecondary school (half-time* deferments for GSL, PLUS, and SLS are allowed only if borrower has obtained a GSL, PLUS, or SLS for the same enrollment period §)	while at least half-time*	while full-time or half-time*	while full-time † or half-time* † ‡	while full-time † or half-time* †
Study at a school operated by the Federal Government	no	while full-time	no	while full-time †
Study in an eligible graduate fellowship program, or a rehabilitation training program for the disabled	no	while full-time	while full-time † ‡	while full-time †
Peace Corps or ACTION Programs, or comparable full-time volunteer work for a tax-exempt organization	up to 3 years	up to 3 years	no	up to 3 years †
Active duty member of U.S. Armed Forces or service in the Commissioned Corps of U.S. Public Health Service	up to 3 years	up to 3 years	no	up to 3 years †
Active duty member of National Oceanic and Atmospheric Administration Corps §	up to 3 years	up to 3 years	no	up to 3 years †

[illegible] you're caring for a temporarily totally [illegible] spouse or other dependent §§	up to 3 years	up to 3 years	up to 3 years †	up to 3 years †
Full-time teacher in a public or nonprofit private primary or secondary school the U.S. Department of Education has determined is in a teacher shortage area §	no	up to 3 years	no	up to 3 years †
Eligible internship deferment*	**up to 2 years**	**up to 2 years**	**no**	**up to 2 years †**
Unemployment	at school's discretion †	up to 2 years	up to 2 years †	up to 2 years †
Mother of preschool age children, who is going to work (or back to work) at a salary no more than $1.00 over the minimum wage §	**up to one year**	**up to one year**	**no**	**up to one year †**
Parental leave deferment*	up to 6 months §	up to 6 months	no	up to 6 months †

*See Glossary, pages 60 to 68.
† Deferments are for principal only.
‡ Deferments are for periods during which student or parent is engaged in eligible study.
§ For **new borrowers*** only.
§§ For Perkins borrowers, deferment for dependents other than a spouse is only for **new borrowers.***

State Educational Agencies (Sources of Information on Guaranteed Student Loans, PLUS Loans, SLS Loans, and State Student Aid)

ALABAMA
Alabama Commission on Higher Education
1 Court Square, Suite 221
Montgomery, Alabama 36197-0001
GSL/PLUS/SLS and State Aid:
(205) 269-2700

ALASKA
Alaska Commission on Postsecondary Education
400 Willoughby Avenue
Box FP
Juneau, Alaska 99811
GSL/PLUS/SLS and State Aid:
(907) 465-2854

ARIZONA
GSL/PLUS/SLS:
Arizona Educational Loan Program
2600 North Central Avenue, Suite 621
Phoenix, Arizona 85004
(800) 352-3033 (AZ students only)
(602) 252-5793

State Aid:
Commission for Postsecondary Education
3030 North Central Avenue
Suite 1407
Phoenix, Arizona 85012
(602) 255-3109

ARKANSAS
GSL/PLUS/SLS:
Student Loan Guarantee Foundation of Arkansas
219 South Victory
Little Rock, Arkansas 72201-1884
(501) 372-1491

State Aid: Department of Higher Education
1220 West 3rd Street
Little Rock, Arkansas 72201
(501) 371-1441

CALIFORNIA
California Student Aid Commission
P.O. Box 945625
Sacramento, California 94245-0625
GSL/PLUS/SLS:
(916) 323-0435
State Aid:
P.O. Box 942845
Sacramento, California 94245-0845
(916) 445-0880

COLORADO
GSL/PLUS/SLS:
Colorado Guaranteed Student Loan Program
11990 Grant, Suite 500
North Glenn, Colorado 80233
(303) 450-9333

State Aid: Colorado Commission on Higher Education
Colorado Heritage Center
1300 Broadway, 2nd Floor
Denver, Colorado 80203
(303) 866-2723

CONNECTICUT
GSL/PLUS/SLS:
Connecticut Student Loan Foundation
25 Pratt Street
Hartford, Connecticut 06103
(203) 547-1510

State Aid: Connecticut Department of Higher Education
61 Woodland Station
Hartford, Connecticut 06105-2391
(203) 566-2618

DELAWARE
Delaware Higher Education Loan Program
Carvel State Office Building
820 North French Street
4th Floor
Wilmington, Delaware 19801
GSL/PLUS/SLS:
(302) 571-6055
State Aid: (302) 571-3240

DISTRICT OF COLUMBIA
GSL/PLUS/SLS:
Higher Education Loan Program of Washington, D.C.
1023 15th St., N.W.
10th Floor
Suite 1000
Washington, D.C. 20005
(202) 289-4500

State Aid: Office of Postsecondary Education Research and Assistance
D.C. Department of Human Services
1331 H Street, N.W.
Suite 600
Washington, D.C. 20005
(202) 727-3688

FLORIDA
Office of Student Financial Assistance
Department of Education
Knott Building
Tallahassee, Florida 32399
GSL/PLUS/SLS:
(904) 488-8093
State Aid: (904) 488-6181

GEORGIA
Georgia Student
Finance Commission
2082 East Exchange Place
Suite 200
Tucker, Georgia 30084
GSL/PLUS/SLS:
(404) 493-5468
State Aid: (404) 493-5444

HAWAII
GSL/PLUS/SLS:
Hawaii Education
Loan Program
P.O. Box 22187
Honolulu, Hawaii
96822-0187
(808) 536-3731

State Aid: State
Postsecondary Education
Commission
209 Bachman Hall
University of Hawaii
2444 Dole Street
Honolulu, Hawaii 96822
(808) 948-8213

IDAHO
GSL/PLUS/SLS: Student
Loan Fund of Idaho, Inc.
Processing Center
P.O. Box 730
Fruitland, Idaho 83619
(208) 452-4058

State Aid: Office of State
Board of Education
650 West State Street
Room 307
Boise, Idaho 83720
(208) 334-2270

ILLINOIS
Illinois State Scholarship
Commission
106 Wilmot Road
Deerfield, Illinois 60015
GSL/PLUS/SLS and State
Aid:
(312) 948-8550

INDIANA
State Student Assistance
Commission of Indiana
964 North Pennsylvania
Street
Indianapolis, Indiana
46204
GSL/PLUS/SLS:
(317) 232-2366
State Aid: (317) 232-2351

IOWA
Iowa College Aid
Commission
201 Jewett Building
9th and Grand Avenue
Des Moines, Iowa 50309
GSL/PLUS/SLS:
(515) 281-4890
State Aid: (515) 281-3501

KANSAS
GSL/PLUS/SLS:
Higher Education
Assistance Foundation
6800 College Blvd.
Suite 600
Overland Park, Kansas
66211-1532
(913) 345-1300

State Aid: Kansas Board
of Regents
Suite 609, Capitol Tower
400 SW 8th
Topeka, Kansas 66603
(913) 296-3517

KENTUCKY
Kentucky Higher
Education Assistance
Authority
1050 U.S. 127 South
Frankfort, Kentucky
40601
GSL/PLUS/SLS and State
Aid:
(502) 564-7990

LOUISIANA
Governor's Special
Commission on Education
Services
P.O. Box 44127
Capitol Station
Baton Rouge, Louisiana
70804
GSL/PLUS/SLS and State Aid:
(504) 342-9415

MAINE
Maine Department of
Educational and Cultural
Services
Division of Higher
Education Services
State House Station 119
Augusta, Maine 04333
GSL/PLUS/SLS and State Aid:
(207) 289-2183

MARYLAND
GSL/PLUS/SLS:
Maryland
Higher Education
Loan Corporation
2100 Guilford Avenue
Room 305
Baltimore, Maryland 21218
(301) 333-6555

State Aid: Maryland State
Scholarship Board
2100 Guilford Avenue
2nd Floor, Room 207
Baltimore, Maryland 21218
(301) 333-6420

MASSACHUSETTS
GSL/PLUS/SLS:
Massachusetts
Higher Education
Assistance Corporation
Berkeley Place
330 Stuart Street
Boston Massachusetts
02116
(617) 426-9434

State Aid:
The Board of Regents of
Higher Education
Scholarship Office
150 Causeway Street
Room 600
Boston, Massachusetts
02114
(617) 727-9420

MICHIGAN
GSL/PLUS/SLS:
Michigan
Department of Education
Guaranteed Student Loan
Program
Box 30047
Lansing, Michigan 48909
(517) 373-0760

State Aid: Michigan
Department of Education
P.O. Box 30008
Lansing, Michigan 48909
(517) 373-3394

MINNESOTA
GSL/PLUS/SLS:
Higher Education
Assistance Foundation
85 East 7th Street
Suite 500
St. Paul, Minnesota 55101
(612) 227-7661

State Aid: Minnesota
Higher Education
Coordinating Board
Capitol Square, Suite 400
550 Cedar Street
St. Paul, Minnesota 55101
(612) 296-3974

MISSISSIPPI
GSL/PLUS/SLS:
Mississippi Guarantee
Student Loan Agency
3825 Ridgewood Road
P.O. Box 342
Jackson, Mississippi
39205-0342
(601) 982-6663

State Aid: Mississippi
Postsecondary Education
Financial Assistance Board
P.O. Box 2336
Jackson, Mississippi
39225-2336
(601) 982-6570

MISSOURI
Coordinating Board for
Higher Education
P.O. Box 1438
Jefferson City, Missouri
65102
GSL/PLUS/SLS and **State Aid:**
(314) 751-3940

MONTANA
Montana University System
33 South Last Chance Gulch
Helena, Montana 59620-3104
GSL/PLUS/SLS and **State Aid:**
(406) 444-6594

NEBRASKA
GSL/PLUS/SLS:
Higher Education
Assistance Foundation
Cornhusker Bank Building
11th and Cornhusker
Highway
Suite 304
Lincoln, Nebraska 68521
(402) 476-9129

State Aid: Nebraska
Coordinating Commission
for Postsecondary
Education
P.O. Box 95005
Lincoln, Nebraska 68509-5005
(402) 471-2847

NEVADA
GSL/PLUS/SLS:
NGSLP Nevada
State Department of
Education
400 West King Street
Capitol Complex
Carson City, Nevada 89710
(702) 885-5914

State Aid: Student Services
Student Financial Aid Services
University of Nevada-Reno
Room 200 TSSC
Reno, Nevada 89557-0072
(702) 784-4666

NEW HAMPSHIRE
GSL/PLUS/SLS:
New Hampshire
Higher Education
Assistance Foundation
P.O. Box 877
Concord, New Hampshire
03302
(603) 225-6612

State Aid: New Hampshire
Postsecondary Education
Commission
2½ Beacon Street
Concord, New Hampshire
03301
(603) 271-2555

NEW JERSEY
GSL/PLUS/SLS:
New Jersey Higher
Education Assistance
Authority
C. N. 543
Trenton, New Jersey 08625
(609) 588-3200

State Aid: Department of Higher Education
Office of Student Assistance
4 Quakerbridge Plaza
C. N. 540
Trenton, New Jersey 08625
1-(800) 792-8670

NEW MEXICO
GSL/PLUS/SLS:
New Mexico
Educational Assistance
Foundation
P.O. Box 27020
Albuquerque, New Mexico
87125-7020
(505) 345-3371

State Aid: Commission on Higher Education
1068 Cerrillos Road
Sante Fe, New Mexico
87501-4295
(505) 827-8300

NEW YORK
New York State Higher Education Services Corporation
99 Washington Avenue
Albany, New York 12255
GSL/PLUS/SLS:
(518) 473-1574
State Aid: (518) 474-5642

NORTH CAROLINA
North Carolina State Education Assistance Authority
P.O. Box 2688
Chapel Hill, North Carolina
27515-2688
GSL/PLUS/SLS and State Aid:
(919) 549-8614

NORTH DAKOTA
GSL/PLUS/SLS:
Bank of North Dakota
Student Loan Department
P.O. Box No. 5509
Bismarck, North Dakota
58502-5509
(701) 224-5600

State Aid: North Dakota Student Financial Assistance Program
10th Floor, State Capitol
Bismarck, North Dakota
58505-0154
(701) 224-4114

OHIO
GSL/PLUS/SLS:
Ohio Student Loan Commission
P.O. Box 16610
Columbus, Ohio
43266-0610
(614) 466-3091

State Aid: Ohio Board of Regents
Student Assistance Office
3600 State Office Tower
30 East Broad Street
Columbus, Ohio 43216
(614) 466-7420

OKLAHOMA
Oklahoma State Regents for Higher Education
500 Education Building
State Capitol Complex
Oklahoma City, Oklahoma
73105
GSL/PLUS/SLS:
(405) 521-8262
State Aid: (405) 525-8180

OREGON
Oregon State
Scholarship Commission
1445 Willamette Street
Eugene, Oregon 97401
1-(800) 452-8807
(within Oregon)
GSL/PLUS/SLS:
(503) 686-3200
State Aid: (503) 686-4166

PENNSYLVANIA
Pennsylvania Higher
Education Assistance
Agency
660 Boas Street
Harrisburg, Pennsylvania
17102
GSL/PLUS/SLS:
1-(800) 692-7392
State Aid:
1-(800) 692-7435

RHODE ISLAND
Rhode Island Higher
Education Assistance
Authority
560 Jefferson Boulevard
Warwick, Rhode Island
02886
GSL/PLUS/SLS and State Aid:
(401) 277-2050
Out of State Toll Free--
1-(800) 922-9855

SOUTH CAROLINA
GSL/PLUS/SLS:
South Carolina
Student Loan
Corporation
Interstate Center, Suite 210
P.O. Box 21487
Columbia, South Carolina
29221
(803) 798-0916

State Aid: Higher Education Tuition Grants
Agency
411 Keenan Building
Box 12159
Columbia, South Carolina
29211
(803) 734-1200

SOUTH DAKOTA
GSL/PLUS/SLS:
Education
Assistance Corporation
115 First Avenue, S.W.
Aberdeen, South Dakota
57401
(605) 225-6423

State Aid: Department of Education and Cultural Affairs
Richard F. Kneip Building
700 Governors Drive
Pierre, South Dakota
57501-2293
(605) 773-3134

TENNESSEE
Tennessee Student
Assistance Corporation
400 James Robertson Parkway
Suite 1950, Parkway Tower
Nashville, Tennessee
37219-5097
GSL/PLUS/SLS and State Aid:
[within TN--
1-(800) 342-1663]
(615) 741-1346

TEXAS
GSL/PLUS/SLS:
Texas Guaranteed Student
Loan Corporation
P.O. Box 15996
Austin, Texas 78761
(512) 835-1900

State Aid: Texas Higher
Education Coordinating
Board, Texas College and
University System
P.O. Box 12788
Austin, Texas 78711
(512) 462-6400

UTAH
GSL/PLUS/SLS:
Loan Servicing Corp.
of Utah
P.O. Box 30802
Salt Lake City, Utah
84130-0802
(801) 363-9151

State Aid: Utah State Board
of Regents
3 Triad Center
Suite 550
355 West North Temple
Salt Lake City, Utah
84180-1205
(801) 538-5247

VERMONT
Vermont Student
Assistance Corporation
Champlain Mill
P.O. Box 2000
Winooski, Vermont
05404-2000
GSL/PLUS/SLS and State
Aid:
[within VT--
1-(800) 642-3177]
(802) 655-9602

VIRGINIA
GSL/PLUS/SLS:
State Education
Assistance Authority
6 North Sixth Street
Suite 300
Richmond, Virginia 23219
(804) 786-2035

State Aid: State Council
of Higher Education for
Virginia
James Monroe Building
101 N. 14th Street
Richmond, Virginia 23219
(804) 225-2141

WASHINGTON
GSL/PLUS/SLS:
Washington Student
Loan Guaranty
Association
500 Colman Building
811 First Avenue
Seattle, Washington 98104
(206) 625-1030

State Aid: Higher
Education Coordinating
Board
908 East Fifth Avenue
Olympia, Washington 98504
Attn: Financial Aid Office
(206) 753-3571

WEST VIRGINIA
GSL/PLUS/SLS:
Higher Education
Assistance Foundation
Higher Education
Loan Program of
West Virginia, Inc.
P.O. Box 591
Charleston, West Virginia
25322
(304) 345-7211

State Aid: West Virginia
Board of Regents
P.O. Box 4007
Charleston, West Virginia
25364
(304) 347-1211

WISCONSIN
GSL/PLUS/SLS:
Wisconsin Higher
Education Corporation
2401 International Lane
Madison, Wisconsin 53704
(608) 246-1800

State Aid: Wisconsin
Higher Educational
Aids Board
P.O. Box 7885
Madison, Wisconsin 53707
(608) 267-2206

WYOMING
GSL/PLUS/SLS:
Higher Education
Assistance Foundation
American National Bank
Building
1912 Capitol Ave.
Suite 320
Cheyenne, Wyoming
82001
(307) 635-3259

State Aid: Wyoming
Community College
Commission
2301 Central Avenue
Barrett Building,
3rd Floor
Cheyenne, Wyoming
82002
(307) 777-7763

AMERICAN SAMOA
GSL/PLUS/SLS:
Pacific Islands
Educational Loan Program
United Student Aid
Funds, Inc.
1314 South King Street
Suite 961
Honolulu, Hawaii 96814
(808) 536-3731

State Aid: American
Samoa Community College
P.O. Box 2609
Pago Pago,
American Samoa 96799
(684) 699-9155

NORTHERN MARIANA
ISLANDS
GSL/PLUS/SLS: See
American Samoa

State Aid: Northern
Marianas College
Board of Regents
P.O. Box 1250
Saipan, CM 96950
(Saipan) 670-7542

FEDERATED STATES OF MICRONESIA
MARSHALL ISLANDS
REPUBLIC OF PALAU

GSL/PLUS/SLS: See American Samoa

State Aid: Community College of Micronesia
P.O. Box 159
Kolonia, Ponape, F.S.M. 96941
(Ponape) 480 or 479

Micronesian Occupational College
P.O. Box 9
Koror, Palau 96940
471

VIRGIN ISLANDS
Virgin Islands
Board of Education
P.O. Box 11900
St. Thomas, Virgin Islands 00801
GSL/PLUS/SLS and **State Aid:**
(809) 774-4546

USAF, INC.
United Student Aid Funds
Processing Center
P.O. Box 50827
Indianapolis, Indiana 46250
(800) 382-4506 (within IN)
(800) 824-7044

GUAM
GSL/PLUS/SLS: See American Samoa

State Aid: University of Guam
UOG Station
Mangilao, Guam 96913
(671) 734-2921

PUERTO RICO
GSL/PLUS/SLS:
Higher Education Assistance Corporation
P.O. Box 42001
Minillas Station
San Juan, Puerto Rico 00940-2001
(809) 758-3356/3328

State Aid: Council on Higher Education
Box F-UPR Station
San Juan, Puerto Rico 00931
(809) 758-3356/3328

Glossary

Assets: Savings and checking accounts, home or business value, stocks, bonds, money market funds, mutual funds, real estate, trust funds, etc. Cars are not considered assets, nor are possessions such as stamp collections or musical instruments.

Campus-Based Programs: Supplemental Educational Opportunity Grants (SEOG's), College Work-Study (CWS), and Perkins Loans. These Federal programs are called "campus-based" because they're administered by the financial aid administrator at the school. Your **financial aid package*** may contain aid from one or more of these programs.

Citizen/Eligible Non-Citizen: You must be one of the following to receive Federal student aid:

- U.S. citizen
- U.S. national
- U.S. permanent resident who has an I-151 or I-551 (Alien Registration Receipt Card)

If you're not in one of these categories, you must have a Departure Record (I-94) from the U.S. Immigration and Naturalization Service (INS) showing one of the following designations:

- "Refugee"
- "Asylum Granted"
- "Indefinite Parole" and/or "Humanitarian Parole"
- "Cuban-Haitian Entrant, Status Pending"
- "Conditional Entrant" (valid only if issued before April 1, 1980)
- Other eligible non-citizen with a Temporary Resident Card (I-688)

Also, you're eligible for Federal student aid if

you have a suspension of deportation case pending before Congress.

If you're in the U.S. on an F1 or F2 student visa only, or on a J1 or J2 exchange visitor visa only, you cannot get Federal student aid.

NOTE: Only citizens and noncitizen nationals can receive a GSL, PLUS, or SLS for study at a foreign institution.

Residents of Palau are eligible for all the student aid programs mentioned in this booklet. Some residents of the Federated States of Micronesia and the Marshall Islands may be eligible for Pell Grants, Supplemental Educational Opportunity Grants (SEOG's), or College Work-Study only. These residents should check with their financial aid administrators.

Cost of Education (or **Cost of Attendance**): The total amount it will cost a student to go to school. It is usually expressed as a yearly figure. The cost of education covers tuition and fees; on-campus room and board (or a housing and food allowance for off-campus students); and allowances for books, supplies, transportation, child care, costs related to a handicap, and miscellaneous expenses. Talk to the financial aid administrator at the school you're planning to attend if you have any unusual expenses that may affect your cost of education or your ability to pay that cost.

Default: Failure to repay a student loan according to the terms agreed to when you signed a **promissory note.*** If you default on a student loan, your school, lender, State, and the Federal Government all can take action to recover the money. Default may affect your future credit rating, and you won't be able to receive additional Federal aid or a deferment of your loan repayments, if you decide to return to school. Also, you may be liable for expenses incurred in collecting the loan. Finally, the Internal Revenue Service may withhold your income tax refund so that your loan will be repaid.

Dislocated Worker: A person so classified by the appropriate State agency (such as the State Employment Service or Job Service). Generally, a dislocated worker is unemployed because—

- he or she has been terminated or laid off
- the plant or other facility where he or she worked has closed
- he or she was self-employed (including farmers) but is not now because of poor economic conditions in the community or because a natural disaster has occurred.

If one of these conditions applies to you, to your spouse, or to your parents, your (and/or their) financial circumstances will be specially considered in determining the ability to pay for your education.

To find out if you, your spouse, or one of your parents qualifies as a dislocated worker, contact your local State Employment Service or local Job Training Partnership Act (JTPA) Service (listed under State agencies in the telephone book). Or, contact your city or county Employment and Training program (listed under city or county agencies). If you have any trouble finding these offices, your financial aid administrator should have a list of Employment and Training offices you can contact.

Displaced Homemaker: Someone who—

- has not worked in the labor force for a substantial number of years (for example, approximately 5 years or more), but during those years has worked in the home providing unpaid services for family members
- has depended on public assistance or on the income of another family member, but is no longer receiving that income, or who has been receiving public assistance because of dependent children in the home
- is unemployed or underemployed and is having trouble obtaining or upgrading employment.

"Unemployed" means not working this week but being available for work and having made

specific efforts to get a job sometime during the last 4 weeks.

"Underemployed" means working part-time (even though full-time employment is desired), because work is slack or because only part-time work is available.

If ***all*** of these conditions apply to you, to your spouse, or to your parents, your (and/or their) financial circumstances will be specially considered in determining the ability to pay for your education.

Eligible Program: A course of study that leads to a degree or certificate at a school that takes part in one or more of the student aid programs described in this booklet. To get a Pell Grant, SEOG, Perkins Loan, or a College Work-Study job, you must be enrolled in an eligible program. The same is true for a GSL or SLS, with a single exception: If your school has told you that you must take certain course work to qualify for admission into one of its eligible programs, you can get a GSL or SLS for up to 12 months while you're completing that course work, as long as you're attending at least **half-time.*** You must also meet the usual student aid eligibility requirements.

Exit Interview: A counseling session you must attend before you leave your school, if you have any of the loans described in this booklet. At this session, your school will give you information on the average amount borrowers owe, the amount of your monthly repayment, and information about deferment, refinancing, and loan consolidation options.

Family Contribution (FC): This figure is determined by a formula and indicates how much of your family's financial resources should be available to help pay for school. This amount is used to determine your eligibility for aid from the

campus-based,* GSL, PLUS, and SLS programs. This number is important because your financial aid administrator will subtract it from your **cost of education*** to find out how much you ***can't*** pay. To determine your contribution, the information you fill in on an aid application is evaluated. Factors such as your (and your family's) taxable and non-taxable income, as well as **assets*** such as savings or the net worth of a home, are considered in determining your family's financial strength. Certain allowances are subtracted from both income and **assets*** to protect part of them for future needs. A portion of the remaining amount is considered available to help pay for postsecondary educational costs.

If you have any unusual expenses that may affect your family contribution, make sure that you notify your financial aid administrator.

Financial Aid Package: The total amount of financial aid a student receives. Federal and non-Federal aid such as loans, grants, or work-study are combined in a "package" to help meet the student's need. Using available resources to give each student the best possible package of aid is one of the major responsibilities of a school's financial aid administrator.

Financial Aid Transcript: A record of the Department of Education student aid you've received. If you've received Federal student aid and you transfer, you must request that your old school(s) send your financial aid transcript to the school you'll be attending. If your new school doesn't receive a financial aid transcript from the old one(s), you won't receive aid from Department of Education programs.

Guarantee Agency: The organization that administers the GSL, PLUS, and SLS programs in your State. The Federal Government sets loan limits and interest rates, but each State is free to

set its own additional limitations, within Federal guidelines. This agency is the best source of information on GSL's, PLUS loans, and SLS loans in your State. (See the list beginning on page 50.)

Half-Time: You must be attending school at least half-time to be eligible to receive a Pell Grant, a GSL, a PLUS, or an SLS. Half-time enrollment is not a requirement to receive aid from the **campus-based*** programs.

At schools measuring progress by credit hours and academic terms (semesters, trimesters, or quarters), "half-time" means at least 6 semester hours or quarter hours per term. At schools measuring progress by credit hours but not using academic terms, "half-time" means at least 12 semester hours or 18 quarter hours per year. At schools measuring progress by clock hours, "half-time" means at least 12 hours per week. Note that schools may choose to set higher minimums than these. Also, GSL, PLUS, and SLS requirements may be slightly different.

Internship Deferment: A period during which loan payments can be deferred if a borrower is participating in a program of supervised practical training required to begin professional practice or service. For a **new borrower,*** an internship also means a degree or certificate program offered by a postsecondary school, hospital, or health care facility with postgraduate training. If you're enrolled in an internship program, you may defer repayment of your Guaranteed Student Loan (GSL), SLS, or Perkins Loan for up to 2 years.

New Borrower: For Perkins Loans, you're a "new borrower" if your period of enrollment begins on or after July 1, 1987, and you have no outstanding Perkins Loans (or NDSL's)—either because you've never had any, or because you've paid off any you've had. Once you qualify as a new borrower, those loan conditions automatically apply to any future Perkins Loans.

For GSL, PLUS, or SLS, you're a "new borrower" if your period of enrollment begins on or after July 1, 1987, and you have no outstanding GSL, PLUS, SLS, or consolidation loans—either because you've never had any, or because you've paid off any you've had. Once you qualify as a new borrower, those loan conditions automatically apply to any future GSL, PLUS, or SLS loans.

The new borrower definition affects only the loan program you're applying to, and doesn't affect other student loans you may have. You could be a new borrower for the Perkins Loan Program and an "old borrower" for the GSL Program at the same time. For example, if you've paid off a previous Perkins Loan and apply for a new one after July 1, 1987, but still have an outstanding GSL, you're a new borrower for your Perkins Loan.

Parental Leave Deferment: A period of up to 6 months during which loan payments can be postponed if a borrower is pregnant, or if he or she is taking care of a newborn or newly adopted child. The borrower must be unemployed and not attending school. To get this deferment, you must apply within 6 months after you leave school or drop below **half-time*** status.

Promissory Note: The legal document you sign when you get a student loan. It lists the conditions under which you're borrowing and the terms under which you agree to pay back the loan.

Regular Student: One who is enrolled in an institution to obtain a degree or certificate. (There is an exception for GSL, PLUS, and SLS borrowers. See the definition of **eligible program.***)

Satisfactory Progress: To be eligible to receive Federal student aid, you must be maintaining satisfactory academic progress. If you're enrolled in a program that is longer than 2 years, the following definition of satisfactory progress

applies to you: You must be maintaining a "C" average by the end of your second academic year of study, or have an academic standing consistent with your institution's graduation requirements. You must continue to maintain satisfactory progress for the rest of your course of study.

If you're enrolled in a program that is shorter than 2 years, you must meet your school's written standard of satisfactory progress. Check with your school to find out what that standard is.

Statement of Educational Purpose: You must sign this statement in order to receive Federal student aid. By signing it, you agree to use your student aid only for education-related expenses. Part 1 of the 1988-89 Student Aid Report (SAR) contains such a statement. You must sign either this one or a similar one prepared by your school.

Statement of Registration Status: If you are required to register with the Selective Service, you must sign a statement indicating you have done so before you can receive any Federal student aid. This requirement applies to males who were born on or after January 1, 1960, are at least 18, are **citizens*** or **eligible non-citizens,*** and are not currently on active duty in the Armed Forces. (Permanent residents of the Federated States of Micronesia, the Marshall Islands, or Palau are exempt from registering.)

Part 1 of the 1988-89 Student Aid Report contains a statement of registration status. You must sign either that one or a similar one prepared by your school. (Some schools require all students to sign a statement, indicating either that the student has registered or is not required to do so.)

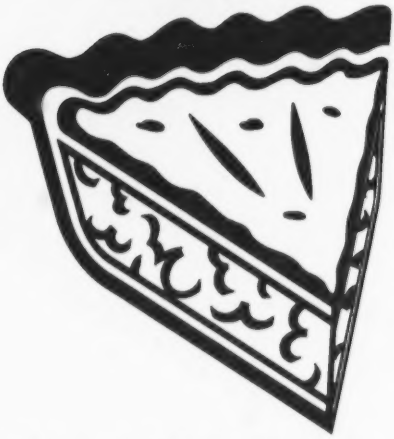
NOTE: If you already have a statement on file with your school, you do not have to sign another one, unless your registration status has changed.

Statement of Updated Information: You must sign a statement certifying that the following Student Aid Report (SAR) items are still correct at the

time you submit your SAR to your school: your status as a dependent/independent student, the number of your family members, and the number of those members enrolled in postsecondary education at least **half-time.*** If information for any of those items changes after you submit your application, you must update the information so that it is correct as of the date you sign your SAR. Otherwise, you will not be able to receive Federal student aid. The only exception to the requirement to update is when changes occur because your marital status changes. In that case, you may ***not*** update.

Student Aid Index (SAI): The number that appears on your Student Aid Report (SAR), telling you about your Pell Grant eligibility. The SAI is the result of a series of calculations based on the information you reported when you applied for Federal student aid.

As American as...



It's true, our Consumer Information Catalog is filled with booklets that can answer the questions American consumers ask most.

To satisfy every appetite, the Consumer Information Center puts together this helpful Catalog quarterly containing more than 200 federal publications you can order. It's free, and so are almost half of the booklets it lists. Subjects like nutrition, money management, health and federal benefits help you make the right choices and decisions.

So get a slice of American opportunity. Write today for your free Catalog:

Consumer Information Center
Department AP
Pueblo, Colorado 81009

☆U.S. G.P.O. 1988 195-942

73

United States
Department of Education